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THE ISSUES
IN THE
CAMPAIGN OF 1900



A SHORT AND PLAIN STATEMENT
OF FACTS

THE 1872

CALENDAR OF 1872

PAST AND PRESENT.

No man who has his eyes open can fail to see that a great change for the better has come over Canada since 1896. It would not be reasonable to claim all the credit for the happy conditions which now prevail for the Liberals. Providence has smiled upon the land, and the Dominion is sharing in the prosperity which extends over the world. But this much is at least true: We would not have advanced as we have done if the advent of the Liberal party had not changed conditions, and removed obstacles which stood in the way of natural progress.

In the first place, the country was in the throes of a racial and religious controversy. The Manitoba School question menaced the peace of the entire Dominion. Who can doubt that if the Conservatives had succeeded in 1896, and had endeavored to carry out their policy of coercion, we should have been in danger of a rebellion? The triumph of Sir Wilfrid Laurier at the polls removed that burning and troublesome question at once and for ever out of the realm of practical politics. We could have no such thing as active and harmonious co-operation among the people of Canada while men of different races and creeds were at each other's throats. For that trouble and danger the Conservatives were responsible, and for their removal the country is indebted to Sir Wilfred Laurier.

There was another matter which operated directly against the commercial and industrial growth of the Dominion—the instability of the tariff. Not a session was allowed to pass without changes in the scale of duties. On one hand the Conservatives stood for protection, and yet they were undecided as to how much or how little protection would answer the needs of Canadian trade. They tinkered constantly with the scale of duties. On the other hand, the people had been taught to be suspicious of the Liberals. They were told, in language calculated to alarm, that if the Liberals once gained power they would immediately adopt free trade as it is in England; that the industries of the country would be ruined, and a commercial revolution be brought about. On another page will be found examples of these forecasts. It is not surprising that in such circumstances capital grew

more and more sensitive, that enterprise should be checked, that industrial expansion should go on slowly, and that the demand for labor should be fluctuating and unsatisfactory.

With the incoming of the Liberals and the introduction of the new tariff a great change spread over the country. Confidence succeeded to uncertainty. Capital flowed in from abroad. Activity began in every branch of trade. The wheels of commerce moved with a new impetus. Better times than Canada had ever known came. Wages increased. Prosperity and progress were everywhere evident. The Dominion assumed a new and attractive status in the eyes of the world.

TORY PROPHECIES.

Every elector who can recall events between 1878 and 1896 will be familiar with the forecasts of calamity and woe which Conservatives and their press constantly presented to the people. If the Liberals should be placed in power it was said that Canada would go to the dogs. Going no further back than 1896, here are a few of the prophecies which appeared in the columns of the Montreal "Star," which in that year became the chief mouthpiece of Conservative opinion in Canada :—

"Wages of all operatives will fall."

"The money in circulation all over Canada will shrink until scarcity of money will be a national cry."

"Employers of labor would be driven to increase the length of the working hours to compensate for the loss of trade."

"Americans, Germans and Swiss will immediately invade the Dominion as a slaughter market, and when the factories and shops have been destroyed and Canadian mechanics driven from the country, will put up the prices of all imported goods, with the certain result of increased expense to every family."

"Work for all wage-earners will grow scarcer and scarcer every month, until the whole character of the industrial life in Canada will have been changed, with corresponding depression throughout the country."

"All bank and joint stock companies' shares will suffer continuous impairment."

"All railway and steamboat companies will be affected by the vastly reduced number of passengers."

"It will take twenty years, even with the abolition of the condemned revenue tariff, to climb again to the post where Canada stands

to-day, and we believe tens of thousands of families will be pauperized beyond the possibility of recovery."

Nor was this all. On the floor of Parliament, after Mr. Fielding had introduced the new Liberal tariff (which remains the same to-day) Sir Charles Tupper spoke as follows :—

"The result is that this tariff goes into operation, and the industries of this country are already paralyzed in consequence, while hon. members gloat, vindictively gloat, over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in The Montreal Gazette, where one manufacturer after another declared that their industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman (Sir Richard Cartwright) that last addressed the House was in charge of the fiscal policy of the country. I say that a deeper wrong was never inflicted upon Canada. I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the gentlemen are doing our work. They are showing the people of this country that no reliance can be placed upon the most solemn declarations that they may make, either in the House or out of it. They are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at a cost of the sacrifice of the industries of Canada."

An announcement like the foregoing, from the leader of the Conservative party, is glaringly inconsistent with later utterances on the subject of the tariff. When good times had come and prosperity was everywhere evident, then Sir Charles Tupper changed his tune. He declared that the National Policy was still in force. When, however, the new tariff was first brought before him, and after he had become familiar with all the changes involved therein, he did not hesitate to say in the language quoted above that it meant "the destruction of Canadian industries." What follows will show how far astray were the Conservatives in their prophecies of ruin.

THE GROWTH OF CANADA.

Contrary to the dark predictions of the Conservatives Canada has enjoyed unprecedented prosperity since the advent of a Liberal government. In fact, the results are so astounding that few people seem to realize the full measure and meaning of what has taken place within the short period of four years past.

Take first the foreign trade of Canada, which touches the interests of all classes in every part of the Dominion :—

CONSERVATIVE PERIOD.

Total trade in 1878,	....	....	\$172,405,454
" " 1896,	....	....	239,025,360
Increase in 18 years,			\$66,619,906
Average annual increase,			3,700,000

LIBERAL PERIOD.

Total trade in 1896,	....	....	\$239,025,360
" " 1900,	....	....	381,625,855
Increase in 4 years,			\$142,600,495
Average annual increase,			35,500,000

That this immensely increased volume of trade has carried with it an increase of capital in the country is apparent from the bank returns. The deposits of the people in the chartered and Government Savings Banks, quite apart from those in the other savings banks of the Dominion, have grown as follows :—

DATE.	Chartered Banks.	Post Office and Gov. Savings Banks	TOTAL.
June 30, 1894,..	\$174,930,936	\$43,036,012	\$217,966,948
June 30, 1895,..	180,664,121	44,450,498	225,114,619
June 30, 1896,..	183,769,992	46,799,318	230,569,310
June 30, 1897,..	201,141,668	48,934,975	250,076,663
June 30, 1898,..	227,063,343	50,111,118	277,174,461
June 30, 1899,..	258,402,340	50,241,715	308,644,058
June 30, 1900,..	280,789,941	51,562,908	332,352,849

That this money has been freely employed is shown by the record of bank discounts. These discounts make an accurate barometer as to commercial and industrial activity, and in that sense the following figures are most significant :—

DATE.	AMOUNT.
June 30, 1894,	\$224,371,222
June 30, 1895,	224,627,632
June 30, 1896,	224,507,301
June 30, 1897,	226,960,482
June 30, 1898,	245,336,120
June 30, 1899,	283,713,938
June 30, 1900,	314,761,056

This showing is sustained by the history of note circulation. The note circulation of the chartered banks and the Dominion Government has been as follows :—

DATE	Banks	Government	TOTAL
Oct. 31, 1894.....	\$34,516,651	\$22,212,884	\$56,729,535
Oct. 31, 1895.....	34,671,028	22,893,259	57,564,287
Oct. 31, 1896.....	35,955,150	21,607,553	57,562,703
Oct. 31, 1897.....	41,580,928	24,751,932	66,332,860
Oct. 31, 1898.....	42,543,446	24,315,988	66,859,434
Oct. 31, 1899.....	49,588,236	27,076,309	76,664,545

The circulation of \$1 and \$2 Dominion notes — which are used in making up wages, payments and in shopping — shows a corresponding increase :—

DATE.	AMOUNT.
Oct. 31, 1894,	\$7,031,368
Oct. 31, 1895,	7,205,368
Oct. 31, 1896,	7,583,712
Oct. 31, 1897,	7,940,520
Oct. 31, 1898,	8,612,602
Oct. 31, 1899,	9,421,886

The bank clearings at six of the chief cities of Canada — Montreal, Toronto, Winnipeg, Hamilton, Halifax and St. John — have swollen enormously, as the following table shows :—

Year ended Dec. 31, 1897,	....	\$1,174,710,345
Year ended Dec. 31, 1898,	....	1,390,019,344
Year ended Dec. 31, 1899,	....	1,549,966,696

In the same way the traffic of the railways has grown. Here are the figures :

	1896	1899
Miles in operation, ..	16,270	17,250
Tons of freight,	24,266,825	31,211,753
Passengers carried, ..	14,810,407	19,133,365
Gross earnings,	\$50,545,569	\$62,243,784
Working expenses, ..	35,042,655	40,423,281

No one can successfully question the fact that the population of Canada has grown very largely during the last four years. The general prosperity which has prevailed has kept our own people from going abroad, and has also induced many thousands to settle in our land. The record of immigration since 1896, has been as follows :—

1896	....	....	....	....	16,835
1897	....	....	....	....	19,304
1898	....	....	....	....	22,781
1899	....	....	....	....	32,596

TAXATION.

It is charged by opponents of the Government that Liberals undertook to reduce taxation, and instead of doing so have actually increased it. This is a charge which goes right to the bottom of the fiscal policy of the Government, and if it could be established would certainly weaken the Liberal cause before the people. Happily, however, it is a matter which will bear the closest analysis, and the more it is discussed before intelligent and fair-minded electors, the stronger and more convincing becomes the Liberal position. It is only necessary to have the facts clearly in hand, and to fully and candidly present them.

Taxation in Canada means customs duties. There are other forms of taxation, but they do not enter into the controversy between parties. In the last analysis the question at issue turns upon whether or not the tariff has been lowered or raised. Nothing is easier to establish before the people than that the tariff has been lowered, and that the rate of taxation has been decreased.

Here are the facts :—

Imports for consumption in 1896, =	\$110,587,480
Duty collected in 1896,	20,219,037 = 18.28 per cent.
Imports for consumption in 1900, =	\$183,209,173
Duty collected in 1900,	28,866,986 = 15.76 per cent.
Reduction,	2.52 per cent.

A reduction of 2.52 per cent. in the rate is equivalent to a reduction of 14 per cent. of the rate, and to that extent the present Government has lowered the burden of taxation upon the people. No juggling of figures can change that fact, which is the essence of the whole matter.

Opponents of the Government, however, never under any circumstances allude to the *rate* of taxation. They always speak of *volume*. They take advantage of the very large increase in the business of the country since 1896 to dwell upon the *amount* of money collected. They say: "The Liberals undertook to reduce taxation, and yet in 1900 they collected \$7,500,000 more from the people than in 1896. They have broken their pledge."

The answer to this unfair presentation of the case is easily made. The Liberals at no time ever undertook to reduce the *volume* of taxation. It would have been absurd for them to have done so. The Government has no control whatever over the total amount of money that will be paid into the treasury in the form of customs duties. The Government can only control the *rate* of duty, and in the exercise of that control the present administration lowered the rate to the extent shown.

The reason why more money was paid as customs duties in 1900 than in 1896, was because in 1900 the people imported \$183,209,273 worth of goods for consumption, whereas, in 1896, they only imported \$110,587,480 worth. That was a matter which the Government could not control. The people, in their prosperity, did it voluntarily. What, however, would have been the result if the Foster tariff of 1896 had still been in force? Instead of paying \$28,866,988 the people would have paid \$33,490,655. So that on the business of 1900 the saving to the people was equivalent to a direct reduction of \$4,623,669 in the volume of taxation. They would have paid just that much more under the Tory tariff. And taking into account the business of the three years since 1897, the year of the tariff changes, the money left in the pockets of the people, which would have been taken out under the Foster rate of taxation, exceeds \$11,000,000.

Many analagous cases could be drawn from everyday life to illustrate the absurdity of the Conservative argument in respect of taxation; but this one will suffice:—A new company gets control of the St. John Street Railway on the promise that they will make street railway travelling cheaper. On taking charge they reduce the price of tickets from six for 25 cents to eight for 25 cents. In doing this they absolutely and honestly keep their pledge. They can do no more. At the end of the year, however, Mr. Foster goes to the President of the Company and says:—“You have not kept your pledge to make travelling by street railway cheaper. Last year my street railway fares amounted to only \$3.00, whereas this year they have gone up to \$4.00. Street railway travelling has become dearer instead of cheaper.” Would not every fair minded man see the completeness of the President’s answer when he said:—“True, you have paid \$1.00 more this year than last. Last year you rode 72 times for \$3, and this year you could have ridden 96 times for the same amount. But you chose

of your own accord to ride 128 times this year, and therefore you paid \$1 more on the whole. Had the old rate of six tickets for a quarter been kept in operation you would have paid \$5.75 for your 128 rides." In a nutshell that is the case of taxation.

The Conservative view of taxation will not bear consideration in the light of the preferential tariff. It cannot be denied that upon every dollar's worth of dutiable goods imported from Great Britain one-third of the duty is remitted under the new tariff.

Then there is the matter of postage. Postage is a form of direct taxation which reaches everybody. Will it be denied that the Liberals have reduced the ordinary postal charges by one-third?

If necessary a very long list could be given of articles which were placed upon the free list in 1897, as well as of articles in respect of which the duty was at that time reduced. These reductions must have been felt at the time to have been very considerable, otherwise Sir Charles Tupper would not have felt justified in commenting on the new tariff in the terms which are quoted on a preceding page.

It is the custom of opposing speakers and journals to divide the total revenue of the country by the population, and thus figure out that each family pays so much more into the treasury than in 1896. Intelligent electors will smile at such tactics. They know that taxes are not paid in that way. Taxes under our system are paid on imports, and the man who buys a basket of champagne, or a cabinet of silverware, pays more into the Dominion treasury than the average working man or farmer need do in ten years. It could be very easily shown that nearly the entire increase in customs receipts has come from the importation of luxuries. In good times the people who are making more money will buy what under other circumstances they would do without.

THE EXPENDITURE.

One of the charges upon which opponents of the Government hope to largely influence public judgment is, that while the Liberals were committed to reduce the annual expenditure account, they have increased it. This allegation they expect to establish by doing three things :—

First — By misrepresenting what was the pledge of the Liberal Party in respect of the expenditure.

Second — By unwarrantedly minimizing the figures of 1896 and exaggerating those of 1900.

Third — By concealing the facts in relation to the accounts of 1900, and the circumstances under which increases have taken place.

As this is a matter respecting which there is much need for light and information, touching as it does the important question of capacity to govern, under new and rapidly changing conditions, it is well to study carefully the facts. Let it first be clearly borne in mind that the Liberal Party, in adopting a general platform in 1893, did not say a single word about reducing the expenditure. The exact words of the resolution placed on record are as follows :—

“We cannot but view with alarm the large increase of the public debt and of the controllable annual expenditure of the Dominion, and the consequent undue taxation of the people under the governments that have been continuously in power since 1878, and *we demand the strictest economy* in the administration of the government of the country.”

It is of no consequence that individual Liberals may have expressed other views on the subject. This was the pledge of the Liberal Party, and the only pledge in that regard.

What were the circumstances which, in 1893, warranted this demand for the strictest economy? They were sufficient to make the situation exceedingly grave. The Conservatives had assumed office in 1878 on a clear and definite pledge to reduce the expenditure. The outlay in Mr. Mackenzie's last year had been \$23,503,158. This the new economists ran up year by year until in 1893, when the Liberals met in convention, it stood at \$36,814,052. At the same

time the public debt grew from \$140,362,069 in 1878 to \$241,681,039 in 1893. Nor was this all. The outgo was in many years larger than the income. The results for the three years following the Liberal convention amply justified the note of alarm which was sounded at that time. Here are the figures :—

				DEFICIT.
1893-4,	....	....	....	\$1,210,332 45
1894-5,	....	....	....	4,153,875 58
1895-6,	....	....	....	330,551 31
Total deficit for 3 years,				\$5,694,759 34
Average annual deficit,				1,898,253 11

At the same time the debt was increased very largely, the figures being :—

1894,....	....	....	....	\$4,501,989
1895,....	....	....	....	6,891,897
1896,....	....	....	....	5,422,505

Large as were these additions, they were nevertheless below those of preceding years. In fact, for the entire eighteen years of the Conservative regime the increase to the public debt averaged \$6,500,000 a year.

Very soon after the accession of the Liberals to power the circumstances of the country underwent a great change. Notwithstanding the reductions made in the tariff, the public income began to go rapidly upward as the result of increased imports. In 1893, when the demand for economy was made the conditions were precisely the reverse. The income was coming down and the outgo going up. Here are the facts :—

				Income.	Expenditure.
1892, ....	....	....	....	\$38,168,608	\$36,814,052
1893, ....	....	....	....	36,374,693	37,585,025

In the three years following, that is between 1893 and 1896, matters grew still worse, as the deficits given above show. Then came the Liberal period, for which the record is as follows :—

				Income.	Expenditure.
1897, ....	....	....	....	\$37,829,778	\$38,349,759
1898, ....	....	....	....	40,555,238	38,832,525
1899, ....	....	....	....	46,741,249	41,903,500
1900, ....	....	....	....	51,175,000	43,175,000

It will be seen at once that the new Government operated well within their means. They cut their coat according to their cloth. They spent much less than they received; so that as compared with their predecessors the result stood :—

	DEFICIT.	SURPLUS.
1896-7.....	\$519,981 44	.....
1897-8.....	.....	\$1,722,712 33
1898-9.....	.....	4,837,749 00
1900(in round figures) .....	.....	8,000,000 00
		<hr/>
		\$14,560,461 33
		519,981 44
		<hr/>
Net surplus for four years		\$14,040,479 89
Average annual surplus.....		3,510,119 97
		<hr/>
Deficit three years, 1893 to 1896,.....		\$5,694,759 34
Surplus four years.....		14,040,479 89
		<hr/>
Betterment.....		\$19,735,239 23

The deficit for the first year of Liberal rule, it may be explained, was occasioned by the unpaid bills left by the outgoing Government, which really should have been charged to 1896.

Before a comparison can properly be made between the record of the two governments, it is necessary to see just what would have been the expenditure of the Conservatives in 1896. It will be remembered that in that year they were defeated before they could even get all their estimates before Parliament, and in discussing the question they persistently under-state the correct figures. They had brought down their main estimates; but they did not reach the stage of bringing down the supplementaries. Happily, however, the figures are in possession of the Government as drafted by Mr. Foster, and they amount to \$4,660,000; so that had the Conservatives been able to go ahead, their bill for 1896 would have been :—

Main estimates.....	\$38,358,548
Supplementaries.....	4,660,000
	<hr/>
Total.....	\$43,018,548

To this should be added the proposed capital expenditure for the year and other items, which would make the total account stand as follows :—

Ordinary expenditure.....	\$43,018,548
Capital "	2,819,000
East Atlantic service.....	750,000
Railway subsidies.....	2,772,000
Government Branch Railways	2,500,000
Crow's Nest Railway.....	1,650,000
Total.....	\$53,459,000

Conservatives now speak of their total expenditure for 1896 as having been \$41,000,000. The above figures show how grossly they misstate the facts. If they had been returned to power they were under engagement to spend more in 1896 than the present Government, under vastly altered circumstances, proposes to spend this year, with this exceedingly important difference — that while they would have been obliged to add perhaps \$10,000,000 to the public debt in order to carry out their undertakings, the Liberals will not be called upon to borrow one dollar.

One of the most culpable features of the Conservative campaign is the deliberate concealment of two or three important facts bearing on the expenditure. Neither Tory talkers nor Tory journals ever point out that practically the whole of the increased expenditure since 1896 is a mere matter of book-keeping. It involves no increase whatever of popular burdens. For example, it is now costing \$1,500,000 a year more to carry on the Intercolonial than in 1896; but every dollar of that increased outlay comes back to the treasury and more. Last year there was a surplus of (in round figures) \$121,000. The same is true of the Yukon expenditure, which relates to an obligation entirely unforeseen in 1896. This matter is best explained in the words of the Finance Minister, when speaking in Parliament on this subject in July last. Mr. Fielding said :—

"Then, take the case of the Yukon. There again we have had to spend very large sums of money. Hon. gentlemen opposite will talk about increased expenses; but they will not tell the people of this country that, in the case of the Yukon, for every dollar that has been expended we get a dollar back. I have made that statement

before, and I can make it now in the light of later information supplied to me by the Interior Department, which may be taken as substantially correct. It covers the years 1897-8, 1898-9, and the six months of the year 1899-1900, up to December 31 last; and what do we find? That in the various departments we have expended in the Youkon during those two and a half years \$3,215,765. Oh, hon. gentlemen say, see how these people are increasing the expenditure — three millions and odd expended in the Youkon! Yet hon. gentlemen forget to say that though that swells the total expenditure of the country, it does not add a cent to the burdens of the people. On the contrary, so far as the people of old Canada are concerned, it is a positive relief, because against that expenditure we have received from the Youkon \$3,867,000."

Combining the increased outlay on the Intercolonial and Youkon, \$3,000,000 of the increase is accounted for at once, in return for which the Government receives back into the treasury more than \$3,000,000. Add to that the loss of revenue in reducing the rate of postage from three to two cents, and very little remains of the increase. Strictly speaking, and having regard to the correct figures for 1896, there has been a substantial reduction.

Assuming, however, that there has been an increase, are there not ample and satisfactory reasons therefor? The annual expenditure in all countries must always bear some relation to population and trade. In Canada there has been a substantial growth in population since 1896 and a very large increase in trade. While the aggregate trade of the Dominion increased \$66,000,000 during the eighteen years of Conservative rule, the annual expenditure increased by more than \$18,000,000; whereas, for the small nominal increase of expenditure since 1896, the total trade of Canada has increased \$142,000,000. Will any reasonable man say that growth like this does not add to the demands upon the public revenue?

Taking the accounts for the past twenty-one years, the expenditure chargeable to Consolidated Fund has been as follows :—

YEAR.	Expenditure Consolidated Fund.	Population.	Expenditure per Cap.
1880,	\$24,850,634 45	4,215,389	\$5 90
1881,	25,502,554 42	4,336,504	5 88
1882,	27,067,103 58	4,383,819	6 18
1883,	28,730,157 45	4,433,363	6 48
1884,	31,107,760 25	4,485,395	6 94
1885,	35,037,060 12	4,538,790	7 72
1886,	39,011,612 26	4,589,414	8 50
1887,	35,657,680 16	4,638,109	7 69
1888,	36,718,494 79	4,688,147	7 84
1889,	36,917,834 76	4,739,617	7 79
1890,	35,994,031 47	4,792,605	7 51
1891,	36,343,567 96	4,846,377	7 50
1892,	36,765,894 18	4,899,273	7 50
1893,	36,814,052 90	4,953,557	7 45
1894,	37,585,025 52	5,009,296	7 50
1895, ...	38,132,005 05	5,066,562	7 53
1896, ...	36,949,142 03	5,125,436	7 21
1897,	38,349,759 84	5,185,990	7 39
1898,	38,832,525 70	5,248,315	7 39
1899, ...	41,903,500 54	5,312,500	7 88
1900, ...	43,175,000 00	5,400,000	7 99

It may be explained that the lower expenditure of 1896 is due to the fact that in that year the general elections occurred. The fiscal year ends on 30th June, and many accounts were left unpaid by the outgoing Government. They appear in the year 1897.

That the expenditure of the present Government has been proper and defensible is shown by the fact that the Opposition have not at any time dared to challenge it in Parliament. They have talked loudly about the total; but they have been silent in relation to the items which make up that total. No later than during the last session of Parliament Sir Richard Cartwright said:—

“Now, sir, again and for the last time, I repeat my challenge to those honorable gentlemen. If they dispute our policy, I invite them to vote it down on the floor of this house. If they do not like our preference grant to England, I invite them, when the budget is brought down, to bring in a measure to repeal the preference grant to England. If they object to the railway subsidies which, under the

circumstances, we have thought fit and proper to grant to certain portions of the country that needed railways, I invite them to do what, it my memory serves, they did not attempt to do, last session or any session before, I invite them to move to strike out those particular subsidies to which they object. I invite them again, if they object to any item of our expenditure, be it for public works, be it for railways, be it for agriculture, be it for immigration, be it for what you will, I invite them to move to strike them out. I repeat, if they do not choose to give emphasis to the views they hold by their votes, I invite them, at any rate, to be quiet and leave us to govern the country as best we can."

This challenge was not at any time taken up.

In their efforts to make out a case against the Government in respect of expenditure, it must never be forgotten that the Conservatives rely very largely upon misrepresentation and concealment. They will not tell the whole story. The Liberals undertook to be economical and they have kept their pledge, since true economy has strict reference to means on one hand and needs on the other. If the present ministers had, in the face of an abounding income, pursued a niggardly and parsimonious policy, disregarding the public needs which sprang up with the new and larger life of Canada, the very men who now complain would have been the first to accuse them of incapacity and unfitness to govern — and rightly so, too.

A misconception exists in the minds of many persons as to the so-called "controllable" expenditure. Frequently the Government is criticized on the assumption that the whole of the outlay is controllable. The fact is that a very large proportion of the expenditure is governed by statute. The following items from the accounts of 1899, chargeable against revenue, do not come within the control of the Government :—

Interest on debt,	.....	\$10,855,111
Administration of Justice,	.....	815,454
Penitentiaries,	.....	416,939
Legislation,	.....	892,354
Superannuation,	.....	325,560
Pensions,	.....	96,128
Militia,	.....	2,112,291
Lighthouse service,	.....	330,254
<i>Carried forward,</i>	.....	<hr/>\$15,844,091

<i>Brought forward,</i>	....	\$15,844,091
Fisheries,	....	412,367
Subsidies to Provinces,	....	4,250,636
Indians,	....	986,219
Govt. N. W. Territories,	....	357,025
Total,	....	\$21,850,338

When to this is added the cost of those public services which must go on, such as the Post Offices (\$3,603,799), the Intercolonial (\$3,696,612), Civil Government, Customs, Mounted Police, Steamship Subsidies and many others, although in a small measure they are subject to control, it will be found that less than \$10,000,000 remain respecting which, as a matter of policy, the Government of the day has no voice.

THE DEBT.

The Liberal party has a record in respect of the public debt of which it need not be ashamed. Contrary to the oft-repeated statement of opponents, the Liberal Convention which met at Ottawa in 1893 did not declare in favor of reducing the debt. The exact words of the resolution adopted on that occasion have been given on a preceding page, and may also be found under the heading: "Liberal Pledges." The party was merely committed to the "strictest economy," and that undertaking they have conscientiously carried out.

The story may be told in few words:

1878 to 1896.

Net debt, 1st July, 1878,	....	\$140,362,069 91
Net debt, 1st July, 1896,	....	258,497,432 77
Increase for 18 years,	....	118,135,362 86
Average increase per annum....		6,563,975 71

1896 to 1900.

Net debt, 1st July, 1896,	....	\$258,497,432 77
Net debt, 1st July, 1900,	....	266,273,446 60
Increase for 4 years,	....	7,776,013 83
Average increase per annum....		1,944,003 45

The fact that any increase at all was made is due to the phenomenal growth of trade and the demand which arose from all parts of the country for increased facilities. For the very small addition made the Government has accomplished a great deal. The accounts have not yet been made up and apportioned for the fiscal year 1900; but between 30th June, 1896 and up to 30th June, 1899, the following payments had been charged to capital :—

Canals, . . . . .	....	....	\$9,455,764
Canadian Pacific Ry, . . . . .	....	....	23,165
Debts paid Provinces, . . . . .	....	....	267,026
Dominion lands, . . . . .	....	....	370,127
Intercolonial, . . . . .	....	....	1,525,254
Public Works, . . . . .	....	....	653,408
Public Buildings, Ottawa, . . . . .	....	....	224,939
P. E. I. Railway, . . . . .	....	....	39,541
Militia, . . . . .	....	....	1,307,414
Total, . . . . .	....	....	<hr/>\$13,866,638

If to this were added the capital expenditure for the last fiscal year, it would be found that the outlay on capital account has been nearly three times as large as the increase to the public debt. Such a result has no parallel in the history of Conservative administration. The cost of deepening the canals alone has been more than the addition to the debt.

There is a further fact of pertinent significance. Of the total increase for four years of \$7,776,013 to the public debt, \$2,500,000, in round numbers, is represented by obligations incurred by the preceding Government. Deducting that, and holding the present administration accountable only for their own outlay, the annual average increase is reduced to \$1,319,000. As compared with an average increase of \$6,563,075 during the Conservative regime this ought to be considered satisfactory.

For the fiscal year which closed on 30th June last the Government was able to pay all the ordinary charges, provide for capital outlay, meet the large cost of the Contingents in South Africa—in short, pay all bills of every sort—and leave a surplus of \$677,000, which goes toward the reduction of the public debt.

The statement of capital expenditure given above does not embrace the very large outlay made last year on the Intercolonial, including the purchase price of the Drummond County Line, the cost of the new Elevators at St. John and Halifax, and the terminal facilities at these two points. Together with the cost of new equipment and improvements, the expenditure on the Government Railway during the three years to end 30th June next will exceed \$4,000,000. Such an outlay in the Maritime Provinces, irrespective of public works, shows how considerate the Government has been of interests at the eastern end of the Dominion, and it suggests, at the same time, how large must have been the claims of the Upper Provinces. If the canals of Ontario and Quebec have been liberally provided for, it cannot be said that a niggardly spirit has been shown in dealing with the needs of the Provinces by the sea.

LIBERAL PLEDGES.

It has been said by Sir Charles Tupper over and over again, and repeated by Conservative speakers and Conservative journals times without number, that the Liberals have not kept one of their pledges. Of course, when opponents of the Government are allowed to make out a list of Liberal pledges according to their own notion, it is an easy thing for them to show that some of the pledges have been broken. But, happily for Liberals, the pledges which they gave as a party are of record. The great convention which met at Ottawa in 1893, composed of representatives from all sections of the Dominion, settled the platform of the Liberal party clearly and definitely. Here it is in full :—

1. FREER TRADE — TAXATION.

"That the customs tariff of the Dominion should be based, not as it is now, upon the protective principle, but upon the requirements of the public service ;

"That the existing tariff, founded upon an unsound principle and used, as it has been by the Government, as a corrupting agency wherewith to keep themselves in office, has developed monopolies, trusts and combinations ;

"It has decreased the value of farm and other landed property ;

"It has oppressed the masses to the enrichment of a few ;

"It has checked immigration ;

"It has caused great loss of population ;

"It has impeded commerce ;

"It has discriminated against Great Britain.

"In these and in many other ways it has occasioned great public and private injury, all of which evils must continue to grow in intensity as long as the present tariff system remains in force.

"That the highest interests of Canada demand a removal of this obstacle to our country's progress, by the adoption of a sound fiscal policy, which, while not doing injustice to any class, will promote domestic and foreign trade, and hasten the return of prosperity to our people.

"That, to that end, the tariff should be reduced to the needs of honest, economical and efficient government.

"That it should be so adjusted as to make free, or to bear as lightly as possible upon, the necessities of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States.

"We believe that the results of the protective system have grievously disappointed thousands of persons who honestly supported it, and that the country, in the light of experience, is now prepared to declare for a sound fiscal policy.

"The issue between the two political parties on this question is now clearly defined.

"The Government themselves admit the failure of their fiscal policy, and now profess their willingness to make some changes ; but they say that such changes must be based only on the principle of protection.

"We denounce the principle of protection as radically unsound, and unjust to the masses of the people, and we declare our conviction that any tariff changes based on that principle must fail to afford any substantial relief from the burdens under which the country labors.

"This issue we unhesitatingly accept, and upon it we await with the fullest confidence the verdict of the electors of Canada."

NOTE — This pledge, as everyone knows, was fully kept by the revision of the tariff and the reduction of taxation, as shown on preceding pages.

2. ENLARGED MARKETS — RECIPROCITY.

"That, having regard to the prosperity of Canada and the United States as adjoining countries, with many mutual interests, it is desirable that there should be the most friendly relations and broad and liberal trade intercourse between them ;

"That the interests alike of the Dominion and of the Empire would be materially advanced by the establishing of such relations ;

"That the period of the old reciprocity treaty was one of marked prosperity to the British North American colonies ;

"That the pretext under which the Government appealed to the country in 1891, respecting negotiations for a treaty with the United States, was misleading and dishonest and intended to deceive the electorate ;

"That no sincere effort has been made by them to obtain a treaty, but that, on the contrary, it is manifest that the present Government, controlled as they are by monopolies and combines, are not desirous of securing such a treaty ;

"That the first step towards obtaining the end in view, is to place a party in power who are sincerely desirous of promoting a treaty on terms honorable to both countries ;

"That a fair and liberal reciprocity treaty would develop the great natural resources of Canada, would enormously increase the trade and commerce between the two countries, would tend to encourage friendly relations between the two peoples, would remove many causes which have in the past provoked irritation and trouble to the Governments of both countries, and would promote those kindly relations between the Empire and the Republic which afford the best guarantee for peace and prosperity ;

"That the Liberal party is prepared to enter into negotiations with a view to obtaining such a treaty, including a well considered list of manufactured articles, and we are satisfied that any treaty so arranged will receive the assent of Her Majesty's Government, without whose approval no treaty can be made."

NOTE — No one will deny that an honest and exhaustive effort was made to obtain reciprocity with the United States. The negotiations extended over many months, and only failed because of the unreasonable terms insisted upon by the American Commissioners.

3. PURITY OF ADMINISTRATION — CONDEMN CORRUPTION.

"That the Convention deplores the gross corruption in the management and expenditure of public moneys which for years past has existed under the rule of the Conservative party, and the revelations of which by the different parliamentary committees of inquiry have brought disgrace upon the fair name of Canada.

"The Government which profited politically by these expenditures of public moneys of which the people have been defrauded, and which nevertheless have never punished the guilty parties, must be held responsible for the wrongdoing. We arraign the Government for retaining in office a Minister of the Crown proved to have accepted

very large contributions of money for election purposes from the funds of a railway company, which, while paying the political contributions to him, a member of the Government, with one hand, was receiving Government subsidies with the other.

"The conduct of the Minister and the approval of his colleagues after the proof became known to them, are calculated to degrade Canada in the estimation of the world, and deserve the severe condemnation of the people."

NOTE — The observance of this pledge is proven by the fact that not even the shadow of wrongdoing has been established against a single member of the present Government.

4. DEMAND STRICTEST ECONOMY — THE EXPENDITURE.

"We cannot but view with alarm the large increase of the public debt and of the controllable annual expenditure of the Dominion, and the consequent undue taxation of the people under the Governments that have been continuously in power since 1878, and we demand the strictest economy in the administration of the government of the country."

NOTE — This pledge is dealt with under the heading "The Expenditure" on a preceding page. It will be observed that this is the promise persistently misquoted by opponents.

5. FOR RESPONSIBLE GOVERNMENT: INDEPENDENCE OF PARLIAMENT.

"That the Convention regrets that by the action of Ministers and their supporters in Parliament, in one case in which serious charges were made against a Minister of the Crown, investigation was altogether refused, while in another case the charges preferred were altered and then referred to a commission appointed upon the advice of the Ministry, contrary to the well settled practice of Parliament; and this Convention affirms:

"That it is the ancient and undoubted right of the House of Commons to enquire into all matters of public expenditure, and into all charges of misconduct in office against Ministers of the Crown, and the reference of such matter to royal commissions created upon the advice of the accused is at variance with the due responsibility of Ministers to the House of Commons, and tends to weaken the authority of the House over the Executives in this regard should on all fitting occasions be upheld."

NOTE — In not a single instance has the fullest inquiry been prevented where direct charges have been made.

6. THE LAND FOR THE SETTLER — NOT FOR THE SPECULATOR.

"That in the opinion of this Convention the sales of public lands of the Dominion should be to actual settlers only, and not to speculators, upon reasonable terms of settlement, and in such areas as can be reasonably occupied and cultivated by the settler."

NOTE — This undertaking has been absolutely and faithfully carried out.

7. OPPOSE THE DOMINION FRANCHISE ACT — FAVOR THE PROVINCIAL FRANCHISE.

"That the Franchise Act since its introduction has cost the Dominion Treasury over a million of dollars, besides entailing a heavy expenditure to both political parties ;

"That each revision involves an additional expenditure of a further quarter of a million ;

"That this expenditure has prevented an annual revision, as originally intended, in the absence of which young voters entitled to the franchise have, in numerous instances, been prevented from exercising their natural rights.

"That it has failed to secure uniformity, which was the principal reason assigned for its introduction.

"That it has produced gross abuses by partisan revising barristers appointed by the Government of the day ;

"That its provisions are less liberal than those already existing in many Provinces of the Dominion, and that in the opinion of this Convention the Act should be repealed, and we should revert to the Provincial Franchise."

NOTE — The Dominion Franchise Act was repealed and the elections now in progress will be held on the Provincial lists. This pledge has been kept to the letter.

8. AGAINST THE GERRYMANDER — COUNTY BOUNDARIES SHOULD BE PRESERVED.

"That by the Gerrymander Acts, the electoral divisions for the return of members to the House of Commons have been so made as to prevent a fair expression of the opinion of the country at the general elections, and to secure to the party now in power a strength out of all proportion greater than the number of electors supporting them would warrant. To put an end to this abuse, to make the House of Commons a fair exponent of public opinion, and to preserve the historic continuity of counties, it is desirable that in the formation of electoral

divisions, county boundaries should be preserved, and that in no case ~~parts of different counties should be put in one electoral division.~~"

NOTE — No one can honestly blame the Government for any failure which may have occurred in relation to this pledge. A measure was passed in the House of Commons restraining County boundaries, and leaving the re-division to a bench of judges; but the partisan majority in the Senate rejected the Bill. The Liberals kept their promise implicitly.

9. THE SENATE DEFECTIVE — AMEND THE CONSTITUTION.

"The present constitution of the Senate is inconsistent with the Federal principle in our system of government, and is in other respects defective, as it makes the Senate independent of the people and uncontrolled by the public opinion of the country, and should be so amended as to bring it into harmony with the principles of popular government.

NOTE — Much consideration has been given to this matter, and the Liberals now in power have left no room for doubt as to their view of the Senate; but four short years has not afforded sufficient time in which to mature a reform of this nature. Nothing practicable could be done with the Senate in hostility to the Government, as any measure of reform must have the assent of both Houses.

10. QUESTION OF PROHIBITION — A DOMINION PLEBISCITE.

"That whereas public attention is at present much directed to the consideration of the admittedly great evils of intemperance, it is desirable that the mind of the people should be clearly ascertained on the question of Prohibition by means of a Dominion Plebiscite."

NOTE — A plebiscite was taken and the pledge of the Liberal party in that regard strictly kept. The above was the only pledge given on the subject

PREFERENTIAL TRADE.

The popularity of the Government's policy in respect of Preferential Trade is shown by the desperate and unscrupulous efforts of the Opposition to misrepresent it. The principal ground of attack in this regard is that the opportunity of a preference to Canada in the English market was presented in 1897, but that Sir Wilfrid Laurier refused it. It is said by opponents that he declared in England Canada did not want a preference in the British market and would not accept it.

There is not a particle of truth in such an assertion. The statement that an offer of a preference was made to Sir Wilfrid is a sheer invention. The story was originated by Sir Charles Tupper, who implied on several occasions that the offer had been made by the Duke of Devonshire. His grace was communicated with by the Canadian Post Master General, and he gave the statement an absolute and unqualified denial. When challenged, there is not a man among the Conservatives who can bring a tittle of proof in support of the absurd suggestion that an offer of a preference was ever made to Sir Wilfrid Laurier, much less that he refused it.

What is the line of cleavage between parties on this question? It is clearly defined. The Liberals have given a preference to Great Britain by taking off one-third of the duty on British goods, freely and unconditionally. They did this for two reasons in chief: First, as a means of lowering the burden of taxation on the people of Canada; and second, as a means of promoting trade between the Dominion and Great Britain.

The Conservatives have placed themselves on record as being opposed to this policy, contending that Canada should have withheld a preference to England in our market until England was prepared to give Canada a preference in her market. In other words, Sir Charles Tupper holds that the Government should not give Canadians the benefit of reduced taxation until England is prepared to impose a tax on the breadstuffs of her own people.

Speaking in the House of Commons, Hon. Dr. Montague declared that sentiment was all right in its place; but "business is business," and now, when Canada was making large sacrifices for the Empire, was a favorable time to press upon Great Britain the proposition of a mutual preference. Liberals have no sympathy with such a cold-blooded doctrine.

Let it be clearly understood that the present Government is not opposed to Canada receiving a preference in the British market. Such a measure would be welcomed. More than that, the course pursued by the present Government is the very best course that could be adopted of winning the people of England to a change in their fiscal policy. But Liberals are not insisting on it, as are the Conservatives. Liberals are not disposed to withhold a preference to Great Britain, which carries with it a large reduction in taxation to our own people, until Great Britain is willing to depart from her established policy of free trade and impose a tax on such necessities of life as we could supply, and which her consuming masses must import. There is not the slightest warrant for supposing Great Britain is willing to take such a serious step. Notwithstanding the torturing and garbling of Mr. Chamberlain's observations on the subject, it cannot be shown that a single man of influence in England has uttered one word in approval of the course suggested by Sir Charles Tupper and his colleagues.

The course of the Liberal Government in relation to preferential trade becomes strongly defensible in the light of official trade figures. For nearly twenty-five years our purchases from the Mother Country had steadily declined. Here is the story in tabulated form :—

IMPORTS.

		From Great Britain	From United States.
1873,	....	\$68,522,776	\$47,735,678
1897,	....	29,412,188	61,649,041

To put it into words, there had been enormous shrinkage in our importations from England, while our importations from the United States had gone upward. How did the other side of the account stand—that is, in relation to our exports? The figures are as follows :—

EXPORTS.

		To Great Britain.	To United States.
1873,	....	\$38,743,848	\$42,072,526
1897,	....	77,227,502	49,373,472

Thus, while our sales to the United States had remained practically stationery, our shipments to England had more than doubled. On one hand we were buying less each year from Great Britain, while each year Great Britain was buying more from us. The account by 1897 had become strikingly one-sided.

In 1897 the preferential tariff was adopted, and the result was to largely stimulate both our import and export trade. English sentiment was touched as never before by the voluntary and generous action of Canada. Canadian products were given a preference quite as effective as a discriminating duty could possibly have been. The result is interesting in tabular form :

CANADA'S TRADE WITH GREAT BRITAIN.

		Imports.	Exports.
1897,	....	\$29,412,188	\$ 77,227,502
1898,	....	32,500,917	104,998,818
1899,	....	37,000,000	99,091,855
1900,	....	44,452,716	97,452,716

No one could fairly regard this as otherwise than a satisfactory result, and a striking vindication of the Liberal policy on purely commercial grounds. An export trade which has grown as has ours with the Mother Country would not seem to be in pressing need of artificial stimulation. We have practically sold to England all the products we had available.

Conservatives met the announcement of the proposed preference to England with the assertion that it was a fraud, and they have pointed to the fact that since 1897 our imports from the United States have increased very much more than have our imports from Great Britain. An argument of that kind can only be effective with those who are unfamiliar with the nature of our trade with the United States and with England. The increase in our purchases from the United States had reference wholly to articles which England cannot and does not produce. This will be made clear by the following list of imports from the United States in 1899 :—

Lumber, logs, etc.,	....	....	\$2,590,072
Animals,	....	....	135,181
<i>Carried forward,</i>			....
			<hr/> \$2,725,253

<i>Brought forward,</i>	....	\$2,725,253
Hides and skins,	....	1,942,154
Wool,	....	514,084
Fruits, green,	....	555,577
Corn,	....	8,966,890
Flax seed,	....	1,062,753
Tobacco leaf,	....	1,878,725
Binder twine,	....	818,404
Coke,	....	355,883
Cotton, raw,	....	3,110,497
Iron, for wire,	....	747,827
Mining machinery,	....	283,481
Steel rails,	....	1,621,115
Rubber, crude,	....	1,606,151
Settlers' effects,	....	2,183,861
Coin and bullion,	....	4,201,396
Coal, anthracite,	....	5,847,685
Seeds,	....	341,615
Total,	....	\$38,753,351

Every one of the articles above mentioned is on the free list, and could not possibly be affected by the preferential tariff. Such products as corn, raw cotton, tobacco, lumber, coal and seeds are not exported by England. Some of the articles, like crude rubber, wool and hides, are not produced by the United States for sale abroad; but they come to us from that source and so appear in our official returns. Great Britain supplies us with none of them.

The elimination of \$38,753,351 from our imports from the United States does not, however, complete the list. Coming to dutiable goods, it is found that here again we buy largely from the United States in classes quite outside of those which Great Britain can supply. Among the returns of imports from our neighbors for 1899 are the following:

Horses and animals,	....	\$ 710,130
Grain and flour,	....	817,089
Coal, bituminous,	....	3,609,389
Express parcels,	....	674,321
Fruits, green,	....	870,000
Coal oil,	....	675,162
Post office parcels,	....	370,144
Provisions, pork, etc.,	....	1,474,090
Tobacco, leaf,	....	1,691,065
Total,	....	\$11,891,390

Joining the two lists together we have this result for 1899, as relates to our imports from the United States :—

Free goods, . . . . .	....	....	\$38,753,351
Dutiable goods, . . . . .	....	....	11,891,390
Total, . . . . .	....	....	<u>\$50,644,741</u>

Thus for the past year are bought \$50,644,741 worth of goods from the United States which are not affected, and cannot possibly be, by the preferential tariff. England cannot supply them. The bulk of them are on the free list. If smaller items were taken into the account, probably another \$10,000,000 of our total purchases of \$93,000,000 from the United States could be taken off. Respecting what remains it will be found that the new tariff affords a substantial advantage to Great Britain. Take, for example, the four great divisions of manufactures, cotton, wool, linen and silk, in the exportation of which England and the United States are competitors, and what has been the result? Comparing the year 1899 with 1897 our increases in these classes have been divided as follows :—

	From Great Britain.	From United States.
Linen mfrs.,	\$ 442,106	\$ 14,550
Wool mfrs.,	1,997,910	205,951
Cotton mfrs.,	1,130,970	438,774
Silk mfrs.,	589,891	95,210
Total increase,	<u>\$4,160,877</u>	<u>\$750,485</u>

Could anything be more striking or convincing? It will be seen that in respect of the articles in the production of which the greatest amount of skill and labor have been employed England, with the preferential tariff in her favor, increased her sales to us since 1897 by \$4,160,877, as compared with \$750,485 by the United States. This, too, in the case of England, was on a business in these articles aggregating \$15,043,991 in 1899; so that the rate of increase was equivalent to 28 per cent., or slightly more than the increase in respect of our whole imports from that quarter. On the other hand, our increased imports from the United States have been almost wholly of things which England cannot supply, and to which the new tariff has no application at all.

To sum up, we have shown that under the preferential tariff our imports from England increased between 1897 and 1899 by \$7,647,935 ; that this increase was very largely in products into which the largest amount of skill and labor had entered ; that while we had increased our imports from the United States it had been almost entirely in articles on the free list, many of them in the nature of raw materials, and in other articles which England is unable to supply. These facts cannot be successfully controverted, and with them in view the Opposition case falls to the ground. It does not leave them with a word to say in defence of their misrepresentations. The policy they have condemned has been eminently successful.

More recently an effort has been made to alarm Canadian manufacturers by suggesting that the preferential tariff is calculated to injure native industry. Such tactics cannot possibly succeed, since our intelligent manufacturers know that a very large percentage of all our imports from Great Britain consist of goods which are not produced in Canada — such as cutlery, chinaware, laces, silks, gloves, fine woolen fabrics, linens, feathers, fancy goods and so on. Even on these and many other classes a substantial duty remains after the preference is deducted.

THE RACE CAMPAIGN.

Nothing in the history of our Canadian political life has been so despicable as the attempt of the present Opposition to arouse racial prejudices, except it be the further effort to excuse themselves behind the unfounded assertion that the campaign in this regard was begun by Liberals.

The temptation to adopt a course of this character lay in the fact that the present Prime Minister is a French-Canadian, and in that sense the representative of a people in the minority. In order to make capital out of this fact, and to stir up a prejudice against him in the English-speaking Provinces, no inuendo has been considered too mean, no invention too unscrupulous, no misrepresentation too flagrant. For months past the Conservative press has teemed with stories and statements calculated to set English-speaking electors against the Government on racial grounds. Than this, no agitation could be

fraught with greater danger to the highest interests of Canada.. It is not perhaps of deep consequence to many whether the dominant party at Ottawa is called Liberal or Conservative; but it is of the first importance to everybody that there should be hearty and sympathetic co-operation between the two great races into which our population is divided. Upon that harmonious action depend the progress and destiny of our Dominion.

The story of this campaign, and its double character, is so well told by the Toronto "Globe" in its issue of 23rd August, that the article is appended in full :—

THE RACE CAMPAIGN.

"No public man within the British dominions has ever more pitifully misinterpreted the true spirit of Imperialism has than Sir Charles Tupper during the last twelve months in Canada.

"Out of a sky threatening, but not quite overcast, came suddenly the Boer ultimatum. We are convinced that while the British Ministers were very determined to secure some substantial redress of the grievances of British subjects in the Transvaal they did not mean war, and they did not aim to subvert the independence of the republics. They believe that a republic could not refuse equal rights to any element of its population, and mere sanguine that persistent and determined pressure would induce the Pretoria oligarchy to surrender and force the concession of the franchise and the mitigation of abuses and monopolies which for years had fed upon the non-Dutch-speaking people of the country. But the British Ministers misjudged the temper of President Kruger and his associates. These held out against all persuasion and all pressure. And the war came. Then the old land braced herself for the battle, and the colonies moved to her side and a united empire fronted the belligerent republics and those foreign powers that seemed to menace the old mother of free communities.

"What was the part played by Sir Charles Tupper and his press in Canada? Here we have two races, as they have two races in South Africa. Here, too, the race spirit is easily touched, and estrangements easily made, and national solidarity easily broken. We have a French-speaking Province and a French-speaking Prime Minister. While as in a moment, the British spirit in Ontario flamed into the red heat of war, in Quebec the war spirit found less fuel to feed upon, and Imperialism had less open and less decisive expression among the people. This was an opportunity for statesmen to speak words of conciliation, and by prudent utterance to win the people of Quebec to greater sympathy with the aggressive Imperialism of Ontario. It was a time to moderate faction and sectionalism, and to take care

that in putting down race tyranny in South Africa we did not breed racial animosities and create racial divisions in Canada.

"But far different was the course of the Conservative press and the Conservative politicians, and no word of rebuke or remonstrance came from Sir Charles Tupper. All over the English-speaking Provinces a shriek of disloyalty was raised against Quebec. Sir Wilfrid Laurier was cartooned as a skulker and a coward. Great bundles of inflammatory partisan literature were sent into the English-speaking communities. In some cases the reports were even specially doctored for English consumption. All that could be done to defame the French Prime Minister, to inflame public feeling against Quebec, and to turn British sentiment against the Liberal leaders was done, and was done rashly, intemperately and most vociferously by the press and speakers of the Conservative party in Ontario and the other English-speaking Provinces.

"But the Government stood firmly and moved steadily. The Premier spoke wisely and in the true temper of a British statesman. He appealed to the chivalry of Quebec and to the justice of Ontario, and soon won the whole country to recognition of the necessity of sending out a Canadian contingent to South Africa. The contingent was promptly and splendidly equipped, and almost summarily despatched, and it moved down the St. Lawrence with the enthusiastic cheers of the people of the old French capital ringing in its ears. Feeling in all the Provinces had now been moderated and harmonized, and, so far as we could see, a united Canada offered her sons to the cause of a united empire. Reverses came. Battles were lost. There was gloom and recrimination at home. In the dark hour Canada spoke again. We sent out a second contingent, and gave irrefutable evidence of the concern of the Liberal Government for British prestige and of the zeal of that Government in the cause of British unity and British freedom.

"Then what happened? For months the Ministers had been flogged for an alleged lack of zeal for Imperial concerns, and an alleged want of appreciation of their duties and obligations as the administrators of the affairs of a great British colony in a time of war and a day of peril to the empire. It was found that the action of the Government had satisfied all reasonable people in the English-speaking Provinces, and it was vain further to attempt to make party capital by denouncing Sir Wilfred Laurier and his colleagues as pro-French and non-Imperial. And, lo, what a change! Just then Sir Charles Tupper went down to Quebec, and made a speech at the Garrison Club. He took advantage of the occasion to present Sir Wilfred Laurier to the French-Canadian people as the High Priest of Imperialism, and as the visionary advocate of a scheme of Imperial federation that would destroy the Independence of Canada and mulct us in tens of millions of dollars annually for Imperial defence. As in a moment every anti-Imperialist in Quebec rushed to his standard, party

campaign documents were got out denouncing Sir Wilfred Laurier as a traitor to the free institutions of Canada, and as bearing upon his conscience the responsibility for the blood of every Canadian who had fallen in the cause of the empire in South Africa. Daily the French-Canadian Conservative press repeats these charges, pillories the Prime Minister as a traitor of his race and creed, as a patron of British aggression, as the friend of an Imperial federation that will destroy self-government in Canada and put us under the heel of Westminster.

"Now, we say that Sir Wilfred Laurier, throughout all this South African controversy, has sought to heal and to unite, and that Sir Charles Tupper and his press have sought to wound and to divide. The Conservative politicians have plunged from excess of Imperialism in Ontario into excess of anti-Imperialism in Quebec. They have played the hand of little politicians instead of that of Imperial statesmen. They have been false to all the best traditions of the Macdonald era. They have alternately cursed and coddled Quebec. Blind to the fearful lesson of South Africa, they have been ready to play upon race prejudice, English or French, in order to promote paltry party objects, and on both Canadian and Imperial grounds they deserve to be punished by an overwhelming rejection at the polls at the coming election."

A CLEAN RECORD.

The record of the Laurier Administration not only shows great capability, but is absolutely free from reproach. It has been clean.

Opponents may charge corruption, in the hope that credulous people will believe them; but the fact remains that not an iota of proof can be adduced in support of such allegations. They speak of "deals" and scandals, because that is their notion of influencing public judgment; but they cannot substantiate their statements in that regard. There is not a Minister in the Cabinet against whom the shadow of wrong-doing can be established. On the contrary, each Minister has been singularly successful in the administration of his own Department, and has at the same time maintained an unblemished reputation.

WHAT THE GOVERNMENT HAS DONE

(From the Toronto Globe.)

"The Liberal Government has reduced Imperial postage from five cents to two cents, and domestic postage from three cents to two cents.

"It has stopped the exodus.

"It has provided for the free carriage of mails on subsidized railways.

"It has made provision for terminal elevators in St. John and Halifax.

"It has perfected a fourteen-foot canal system from the lakes to Montreal.

"It has constructed a Government telegraph line into the Yukon country.

"It has admitted the West Indies to the advantages of the preferential tariff.

"It has provided for the construction of a bridge across the St. Lawrence at Quebec.

"It is legislating to remove the elevator grievance in Manitoba and the Territories.

"It has replaced 'the nest of traitors' by a strong, harmonious and united Government.

"It has guaranteed Canada's full share of the cost of the construction of the Pacific cable.

"It has settled the school question without resort to the hateful policy of Federal coercion.

"It has put a necessary check upon the participation of public officials in election contests.

"It has sent out contingents of Canadian troops to fight the battles of the Empire in South Africa.

"It has made provision for necessary improvements and enlargements of the harbor facilities at Montreal.

"It has developed and improved the system of cold-storage for Canadian shipments to British markets.

"It has extended the Intercolonial from Levis to Montreal and abolished deficits on the national railway.

"It has improved the relations between Canada and Great Britain and between Canada and the United States.

"It has a bill before Parliament to prevent new railways sidetracking existing towns on the line of construction.

"It has before Parliament an improved law of copyright which will promote and protect the publishing interest in Canada.

"It has secured from the British Government authority for trustees in Britain to invest trust funds in Canadian securities.

"It is constructing branch railways in Prince Edward Island, to which the country was pledged, and which are badly needed.

"It has hushed the cry of settlers' grievances in the West, and is filling the prairies with a prosperous and contented population.

"It has introduced the postal note system, to the great convenience of all persons who have to remit money in small amounts.

"It has increased the population, and, by adding to the number of the burden-bearers, lightened the load of the individual taxpayer.

"It has set an example to all future Governments by proposing that the constituencies shall be delimited by High Court Judges.

"It has given us for the 1894-1896 deficits of \$5,694,000 surpluses for 1898-99 of \$7,500,000 for 1900.

"It has given us the growing time for the blowing time, and prosperity in farms and factories for prosperity in statistics and adjetives.

"It has lowered Imperial and domestic postal charges, and yet has reduced the deficit in the Post-office Department from \$780,000 to \$389,000.

"It has ordered the railways to abandon discriminating rates in favor of a corporation which for years controlled the railways of the United States.

"It has liberalized and improved the quarantine regulations between Canada and the United States, to the great advantage of Canadian stock-breeders.

"If it had not been obstructed by a partisan Senate it would have abolished the scandalous gerrymander of 1882 and the unfair redistribution measure of 1892.

"It has arranged for the construction of the Rainy River Railway, and for other branches in another great through railway system from the great lakes to the Pacific.

"It has secured the denunciation of the German and Belgian treaties, under which British colonies could not make preferential trade arrangements with the mother country.

"It has seen the trade of Canada grow from \$224,000,000 in 1897 to \$321,000,000 in 1899, and has promoted all legitimate trade interests by timely and sympathetic legislation.

"It has seen general trade conditions improve, many old factories enlarged, many new factories opened, employment become plenty and wages increased in many industries.

"It has given us a tariff which reduces the taxes on many of the necessities of life, cheapens the raw material of many manufactures, and gives a preference of 33½ per cent. to the mother country.

"It has legislated against the sweating evil in Government contracts, and provided for the payment of standard wages on all public works carried on by the Government and on all works aided by grants of public money.

"It has successfully imposed and collected gold royalties in the Yukon, and made the natural resources of that remote territory meet the necessarily heavy cost of the administration of its affairs and the preservation of law and order under very exceptional conditions.

"It sought to establish an all-Canadian route to the Yukon, and if the Senate, influenced by American lobbyists, had not blocked the

project, we would now hold a much stronger position in negotiating with the United States for the adjustment of the Alaskan boundary.

"It has made a contract with a strong transportation syndicate by which great grain elevators will be established at Montreal and Port Colborne, a fleet of modern grain-carriers put on the lakes, and a vastly greater volume of the products of the west carried through Canadian channels, to the great advantage of Canadian shipping centres.

"It has, by the plan adopted for the construction of the Crow's Nest Railway, secured a reduction in grain rates for the western farmer, and other freight concessions from the Canadian Pacific Railway, equal in all to from \$700,000 to \$800,000 a year; held control of the Crow's Nest Pass; reserved for competing roads the right of use of the Crow's Nest rails through the mountains; provided for cheap coal for British Columbia smelters, to the great advantage of the mining industry; taken over 50,000 acres of coal lands as a guarantee against monopoly in coal products; taken power to regulate freight rates on all traffic originating on the Crow's Nest road or destined for points on the Crow's Nest system, and made it impossible for the Canadian Pacific Railway to increase rates on many staple articles beyond the prices fixed by the Crow's Nest bargain."

THE FARMER'S INTEREST.

It has been said by opponents of the Government that while the trade of the country has increased, the farmers of Canada have had no share in the prevailing prosperity. Nothing could be further from the truth. There has never been a time in the history of the Dominion when so much was being done for agricultural interest when the results were so large, and when the outlook was so promising as now.

Look at the record of our export trade in farm products :—

CONSERVATIVE PERIOD.

1878, ...	....	....	....	\$32,028,611
1896, ...	....	....	....	50,591,002
Increase in 18 years,				\$18,562,391

LIBERAL PERIOD.

1896, ...	....	....	....	\$50,591,002
1900, ...	....	....	....	83,326,921
Increase in four years,				\$32,735,919

In other words, the shipments of Canadian farm products increased almost twice as much in 4 years under Liberal rule as they did under Tory rule in 18 years. Such a record completely closes the mouth of those who take exception to the policy of the government in relation to agriculture.

The details of this marvellous growth of our export trade in the products of Canadian farms is interesting, showing, as it does, some of the articles which have found a larger market chiefly in Great Britain. Here are some of the items taken from the official trade returns :—

	1896.	1899.
Cattle,	\$ 7,076,298	\$ 8,271,486
Butter, ...	1,052,089	3,700,873
Cheese, ...	13,956,571	16,776,765
Eggs,	807,086	1,267,063
Bacon and hams,	4,381,968	10,416,478
Apples, ...	1,416,470	2,621,352

These are very substantial increases; but they may be regarded as marking but the commencement of our new trade relations with Great Britain.

Britain. The cold storage methods adopted by the present Government have already accomplished much ; but very much more may reasonably be expected in years to come. These methods, aided by the influence of our preferential tariff, are opening the British markets to our Canadian farmer to an extent which no one can possibly measure. In Hon. Sydney Fisher the farmers of Canada have a zealous, capable and enterprising Minister of Agriculture, and whatever is possible to be done for the promotion of their interests may safely be left in his hands.

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